

Comptroller of the Currency, Treasury

§ 35.4

35.7 Submission of proposals.

35.8 Revocation of eligibility.

AUTHORITY: 12 U.S.C. 1823(j) and 93a.

SOURCE: 53 FR 28376, July 28, 1988, unless otherwise noted.

EFFECTIVE DATE NOTE: At 60 FR 27401, May 24, 1995, part 35 was removed, effective January 1, 1999.

§35.1 Authority and OMB control number.

(a) *Authority.* This part is issued by the Office of the Comptroller of the Currency (OCC) pursuant to 12 U.S.C. 1823(j) and 12 U.S.C. 93a.

(b) *OMB control number.* The collection of information requirements contained in this regulation were approved by the Office of Management and Budget under control number 1557-0186.

§35.2 Definitions.

For purposes of this part:

(a) *Agricultural Bank* means a national bank—

(1) The deposits of which are insured by the Federal Deposit Insurance Corporation;

(2) Which is located in an area of the country the economy of which is dependent on agriculture;

(3) Which has total assets of \$100,000,000 or less as of the most recent Report of Condition; and

(4) Which has—(i) At least 25 percent of its total loans in qualified agricultural loans and agriculturally related other property, as defined below; or

(ii) Less than 25 percent of its total loans in qualified agricultural loans and agriculturally related other property, but which bank the OCC has recommended to the Federal Deposit Insurance Corporation for eligibility under this part.

(b) *Qualified Agricultural Loans* means:

(1) Loans qualifying as *loans to finance agricultural production and other loans to farmers or as loans secured by farm land* for purposes of Schedule RC-C of the FFIEC Consolidated Reports of Condition and Income or such other comparable schedule that may be in effect;

(2) Loans secured by farm machinery;

(3) Other loans or leases that a bank proves to be sufficiently related to ag-

riculture for classification as an agricultural loan by the OCC; and

(4) The remaining unpaid balance of any loans, as described in paragraphs (b) (1), (2) and (3) of this section, that have been charged off since January 1, 1984, and that qualify for deferral under this part.

(c) *Agriculturally related other property* means any property, real or personal, that a bank owned on January 1, 1983, and any such additional property that it acquires prior to January 1, 1992, in connection with a qualified agricultural loan. For purposes of §§35.2(a)(4)(i) and 35.6(d) the value of such property includes amounts previously charged-off.

(d) *Accepting Official* means the head of the appropriate supervisory office designated by the OCC for the applicant bank.

§35.3 Loss amortization and re-appraisal.

(a) Provided that there is no evidence that the loss resulted from fraud or criminal abuse on the part of the bank, its officers, directors, or principal shareholders, a bank that has been accepted under this part may, in the manner described below, amortize on its Reports of Condition and Income:

(1) Any loss on any qualified agricultural loan reflected in a bank's annual financial statements for any period between and including 1984 and 1991; and

(2) Any loss reflected in a bank's financial statements for any period between and including 1983 and 1991 resulting from a reappraisal or sale of agriculturally related other property.

(b) Amortization under this section shall be computed over a period not to exceed seven years on a quarterly straight-line basis commencing in the first quarter after the loss was or is charged off so as to be fully amortized not later than December 31, 1998.

§35.4 Accounting for amortization.

(a) *General rule.* Any bank which is permitted to amortize losses in accordance with §35.3, above, may restate its capital and other relevant accounts and account for future authorized deferrals and amortizations in accordance with the instructions to the